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SIPDIS

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TAGS: PGOV ECON EINV KCOR KDEM UG  
SUBJECT: PROCUREMENT AUTHORITY CANCELS VOTER ID CONTRACT  
TENDER

REF: A. KAMPALA 1278  
    1B. KAMPALA 01323

Classified By: Econ Officer Don Cordell for reasons  
1.4 (b) and (d).

11. (C) Summary: Uganda's Public Procurement and Disposal of Public Assets Authority (PPDA) canceled a tender issued by the Electoral Commission for a voter registration and biometric ID system on November 6 due to irregularities in the bidding process. The Electoral Commission had suspended the tender in October after a Bangladeshi company NOT short-listed for the USD 15 million contract first complained and then brought key Electoral Commission and PPDA personnel to Bangladesh for consultations (ref. A). The PPDA ordered the Electoral Commission to re-issue the tender using an accelerated time frame. The Commission's opaque and irregular management of the contracting process inspires little confidence for the transparent management of elections in February 2011. End Summary.

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Procurement Authority Declares Do-Over  
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12. (C) On November 6, the PPDA concluded its investigation into the Electoral Commission's USD 15 million voter registration and biometric ID contract. The PPDA halted the procurement process on October 1 based on information provided by a unnamed "whistle blower". The PPDA's inquiry revealed a number of procurement problems including unclear selection criteria and the use of an incorrect solicitation document. The PPDA also indentified post-evaluation changes in the ratings of two of the four short-listed companies which put these companies over the contract's selection threshold. The Ugandan partner of the U.S. firm L-1 is one of the companies that apparently benefited from post-evaluation score changes.

13. (SBU) The PPDA report instructs the Electoral Commission to re-run the tender by allowing all of the 15 firms that bid on the original contract to resubmit their bids in a closed, accelerated bid process. The Electoral Commission and PPDA will then correct any subsequent irregularities and devise a new short-list.

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Uganda's Voter Registry: Made in Bangladesh?  
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14. (C) On November 20, Susan Katono, an official with L-1's local partner Balton Uganda Ltd., identified the Bangladeshi company "Smartmatic" as both the whistle-blower and the company that flew Electoral Commission and PPDA officials to a "retreat" in Bangladesh in late October. Katono told EconOff that the principal author of the PPDA report, Cornelia K. Sabiiti, was one of the PPDA officials who traveled to Bangladesh along with the Electoral Commission's

Chairman Badru Kiggundu and Secretary Sam Rwakoojo. According to Katono, Sabiiti and Rwakoojo are related to Foreign Minister Sam Kutesa, who has financial interests in Smartmatic. NOTE: Katono is a niece of National Resistance Movement (NRM) Secretary General and Security Minister Amama Mbabazi, who also appears to have a personal stake in both the ID contract and the activities of the Electoral Commission (ref. B). END NOTE.

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Comment: Misplaced Priorities  
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15. (C) A revised and transparent voter registry is crucial to the success of the 2011 presidential elections. The Electoral Commission's opaque handling of the registry, and the contract supposedly intended to improve it, inspire little confidence. The USD 15 million ID contract comprises more than 100 percent of the Electoral Commission's available funding for 2010, is unlikely to produce substantive improvements to the registry, and precludes the Commission from undertaking any other important election related activities. If implemented as designed, the contract would likely trigger post-election legal challenges based on the Commission's decision to limit the ID project to 17 municipalities which tend to be opposition strongholds. Electoral Commission, PPDA, and senior government officials' interest in biometric voter IDs seems to be driven by opportunities for graft rather than a desire to clean up Uganda's voter registry.

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